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Ref No: RML/2026-27/698

Date: July 29, 2026

To,

BSE Limited	**National Stock Exchange of India Limited**
Scrip Code: 543228	**Symbol: ROUTE**

Sub: Transcript of the earnings conference call for the quarter ended June 30, 2026.

Dear Sir/Madam,

We are enclosing herewith copy of the transcript of the Company's Q1 FY27 earnings conference call for Unaudited Financial Results for the quarter ended June 30, 2026 held on **Friday, July 24, 2026**.

Further, please note that no unpublished price sensitive information was shared/discussed by the Company during the said earnings call.

The same is also available on the Company's website at www.routemobile.com.

You are requested to take the above information on record.

Thanking you,
For **Route Mobile Limited**

Tejas Devendra Shah

Digitally signed by Tejas Devendra Shah
Date: 2026.07.29 17:52:31 +05'30'

Tejas Shah
Company Secretary & Compliance Officer
ICSI Membership No.: A34829

Encl: a/a

Route Mobile Limited

Q1 FY27 Earnings Conference Call

July 24, 2026

MANAGEMENT: MR. TUSHAR AGNIHOTRI – CHIEF EXECUTIVE OFFICER – ROUTE MOBILE LIMITED
MR. VINAY BINYALA – CHIEF STRATEGY OFFICER & INVESTOR RELATIONS OFFICER – ROUTE MOBILE LIMITED
MR. RAJ GILL – GROUP CHIEF FINANCIAL OFFICER – ROUTE MOBILE LIMITED

Route Mobile Limited Q1 FY'27
Earnings Conference Call
July 24, 2026

Moderator: Ladies and gentlemen, good day, and welcome to Route Mobile Limited Q1 FY27 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Tushar Agnihotri, Chief Executive Officer. Thank you, and over to you, sir.

Tushar Agnihotri: Good evening, everyone, and thank you for joining us for Route Mobile's Earnings Call for the first quarter of fiscal year 2027. I'm Tushar, and it's my pleasure to welcome you all. Joining me today are Vinay Binyala, who will take you through the operational and strategic highlights of the quarter; and Raj, who will walk you through the detailed financial performance. Following our prepared remarks, we will open the floor for questions.

Before we begin, a quick note that our quarterly earnings presentation was uploaded yesterday, and I hope you've had a chance to review it. Some of the statements we make today may be forward-looking in nature. These are subject to risks and uncertainties, and I request you to refer to the disclaimers in our presentation.

Let me set the context for the quarter before handing over. This was a quarter of important progress on the strategic priorities we laid out earlier this year. We returned to year-on-year revenue growth. And just as importantly, the quality and mix of that growth continued to shift in the direction we have committed to, with the new product portfolio growing meaningfully faster than the business as a whole.

We are clear eyed about the margin softness this quarter. As Vinay will explain, several of the items that weighed on margins are specific in nature and largely transient, and we are actively working through each of them. Our conviction in the medium-term trajectory of the business is unchanged.

At the same time, we took a decisive strategic step with Heltar acquisition, a precise expression of the build versus buy philosophy we articulated at our strategy update in May. And one that accelerates our move up the value chain, from messaging into full stack, AI-native customer engagement.

We also saw strong external validation of our execution and of the shared global vision with Proximus Global. Taken together, this was a quarter of steady operational delivery, disciplined strategic action and continued strengthening of our positioning for the years ahead. We remain focused on execution and on delivering long-term value for our stakeholders.

With that, let me hand over to Vinay to take you through the quarter in more detail. Over to you, Vinay.

Vinay Binyala: Thank you, Tushar. Good evening, everyone, and I hope you are all doing well. As Tushar mentioned, we uploaded our quarterly earnings presentation last evening, and I hope you had a chance to go through it. I will structure my comments in 4 parts.

First, the shape of our revenue growth this quarter; second, a discussion around the margin performance and specific items that affected it; third, the key business and product developments for the quarter; and finally, a few minutes on the Heltar acquisition, which we believe is an important strategic milestone for the company.

First, on revenue. In Q1 FY27, revenue from operations grew approximately 10% year-on-year and 2% quarter-on-quarter. I would highlight the quality of this growth. The drivers are the ones we have been highlighting for the past several quarters, continued strength in growth in our new products portfolio and customer additions to our AI/ML-driven firewall solutions business portfolio.

I want to draw your attention to the new products portfolio, RCS, WhatsApp and other IP-based messaging solutions. New product revenue grew 14% year-on-year and 11% quarter-on-quarter, growing meaningfully faster than the company as a whole.

This is the engine of the business mix transformation we have been committed to, and the sequential acceleration demonstrates that we are aggressively driving momentum around the non-SMS solution portfolio. The ILD business, which was the principal source of revenue decline through FY26, continues to be a challenge in terms of growth for the near term.

Second, let me address gross margins and provide additional context around the reported numbers. Gross profit margin for the quarter was 20.9%, which is lower than the levels we exited FY26 at. There are 2 key drivers for this margin deterioration. The primary driver is certain developments in specific customer accounts. We witnessed temporary disruption in traffic from select existing large high-margin customers as we are deploying new solution capabilities to address evolving business requirements of these customers.

This is not revenue or gross margin that we have lost, but just a temporary disruption, which will be restored in the coming quarter as we continue to offer the new solution capabilities to these customers. These are account-specific situations rather than broad-based deterioration in pricing or margin, and we are actively working through each of them. The second smaller factor impacting gross profit margins in the past quarter is the security incident at our Colombian subsidiary.

The gross margin performance translated into an EBITDA into an adjusted EBITDA margin of 9.5% for the quarter. We recognize this is below the trajectory we have guided to. I want to be specific here. We view several of the items that impacted this quarter as largely transient.

Third, let me spend a moment on the key business developments of the quarter because they reinforce the strategic direction I have just described. We are seeing strong external validation of our execution capabilities and of the global vision we share with Proximus Global. And practically, it strengthens our right to win in large enterprise engagements worldwide.

Konera, Proximus Global's network API and enterprise connectivity platform won the Best Application Service Provider Award at the Carrier Community Global Awards in 2026. This is a recognition of the continued innovation coming out of the Proximus Global ecosystem in network APIs, a category we believe will be an important growth factor for the industry over the coming years.

On the product and platform side, we continue to strengthen our global RCS footprint, expanding direct operator integrations and advancing towards broader direct coverage access across markets. New partnerships and platform enhancements further reinforce our ability to drive scalable, rich business messaging experiences worldwide.

We also further enhanced OCEAN, our omnichannel engagement platform with new campaign management, reporting, audience management and white label capabilities, while expanding deployments across international markets and progressing strategic use cases. Together with Heltar, which I will come to next, OCEAN sits at the core of our ambition to move up the value chain from messaging into full stack customer engagement.

Finally, let me spend a few minutes on Heltar, because this transaction is a precise expression of the M&A philosophy we have articulated at our strategy update in May. On July 13, we signed a business transfer agreement to acquire the identified business undertaking of Heltar Technologies Private Limited on a slump sale basis. Heltar is an AI-driven omnichannel customer engagement platform. At its core, it turns communication workflows into fully automated, self-running programs from a single prompt to a live customer journey.

Its chatbot and automation capabilities span WhatsApp, RCS and voice. And the voice capabilities are being extended upon. It carries AI-driven analytics that helps enterprises measure and optimize communication performance. The platform is low-code and prompt driven, which means enterprises can configure and launch new use cases in days rather than months. Several large enterprise customers already run high-value sales and marketing programs on the Heltar platform with measurable improvements in conversion rates and ROI.

Why does this matter for Route Mobile? Three main reasons. First, capability acceleration. We have consistently said that organic development alone will not close the conversational AI capability gap within the time frame the market demands. Heltar compresses what would have been a multiyear internal build into an immediate deployable platform, consistent with our build versus buy framework.

Second, distribution leverage. We serve several global enterprise clients, the majority of whom use us for a single channel today. Heltar gives our key account and cross-sell teams an AI-native engagement layer to take into that base. There is limited incremental customer acquisition cost attached to this opportunity.

And third, it directly accelerates our non-SMS revenue, which has compounded at over 40% annually over the past 4 years, and is central to our medium-term revenue mix ambitions. In terms of structure, the transaction is a slump sale of the identified business undertaking as a going concern.

This includes the Heltar brand, the intellectual property, the technology platform, the team who will transition to Route Mobile. Heltar's founding team, alumni of IIT Kharagpur will continue to lead the platform within Route Mobile.

The transaction is expected to close in the coming weeks, subject to customary closing conditions. The transaction is being fully funded through our internal accruals and is not material in the context of our balance sheet. To summarize the quarter, we have returned to year-on-year revenue growth with new product revenues growing 14% year-on-year and 11% sequentially, ahead of the company average.

The margin softness this quarter was driven by specific and largely transient items. Our strategic positioning continues to strengthen as reflected in the industry recognition that we have received. And we have taken a strategic decision with the acquisition of Heltar.

With that, I will hand it over to Raj to walk you through the detailed financial performance. Over to you, Raj.

Raj Gill: Thank you, Vinay, and good evening, everybody. I'll summarize our financial and operating performance during the quarter ending June '26 before opening the call to Q&A. As described by Tushar and Vinay, the top line revenue grew sequentially and year-on-year, while EBITDA margins were impacted by in-quarter specific items.

Our Q1 revenue from operations was INR.11,515 million, representing an increase of 9.6% year-on-year and 1.8% sequentially. This demonstrates the resilience of our business with strong demand for our solutions, heavy healthy traffic growth and continued customer engagement.

In Q1, we reported a gross profit of INR.2,404 million, which is higher by 6.8% year-on-year and lower by 8.9% sequentially. Gross profit was affected by a combination of market dynamics and specific account-related factors, which we are actively addressing.

Gross profit margin for the quarter stood at 20.9% versus 21.4% in the same quarter last year and 23.3% in the previous quarter. Gross profit margin is primarily affected by the specific factors explained earlier. However, we are focused on onboarding higher-margin accounts, pushing our new product portfolio and optimizing routine, which will support margin expansion over the coming quarters, reinforcing our commitment to profitable growth and long-term value creation.

On a reported basis, we constrained opex growth to 2.9% year-on-year, mainly due to salary inflation, higher expenditure on consulting fees and a provision for an advance. Adjusted EBITDA for Q1 was INR.1,089 million, which is lower by 5.6% year-on-year and 18.9% as compared to the previous quarter due to the aforementioned in-quarter margin impacts.

This all contributes to an adjusted EBITDA margin of 9.5%. Adjusted profit after tax was INR.686 million, which is up 16.6% year-on-year and lower by 40.1% sequentially, driven by EBITDA flow-through.

I will now hand over to the moderator for the Q&A section.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Divyansh Jaju from Trinetra Asset Managers.

Divyansh Jaju: Hello, Good evening, sir, thank you for the opportunity, so could you elaborate more on the customer retention and how has the annual revenue retention improved over the last few years, particularly among main enterprise clients?

Vinay Binyala: So, the customer retention -- the net revenue retention stands at 98% for the year. We had slight impact in just one of the key customers, which we are also working on recovering over the future period. But overall, we are not seeing significant risk on the existing customer portfolio. As I mentioned, there was one high-margin customer where we are trying to do a product upgrade, new feature rollout. So that revenue again should come back to us, but rest of the portfolio seems quite stable at this point in time.

Divyansh Jaju: Okay. And as the huge cash is seen on our balance sheet, so how we are thinking to allocate over the next few years? Like any particular investments are there or like any shareholder return would be a possibility? How the company is seeing?

Vinay Binyala: So that's a fair point, Divyansh. So, we hold around INR1,300-plus crores of cash on the balance sheet, cash and cash equivalents. And as we have demonstrated, we have a well laid out strategy for evaluating potential acquisitions to fill capability gaps. That is one area in which we are looking at utilizing cash. Besides that, there are certain organic initiatives as well where we plan to deploy optimization solutions internally as well as we might do some headcount increases depending upon the business requirements.

So -- but that is on the organic side, we'll still be limited by the growth of the business in a way. But inorganically, we are fairly selective. There are 2 different approaches towards acquisition that we are following. One is the capability acquisition, which is reflected in the Heltar deal as well, which is not very large in terms of deal size, but it fills a significant capability gap for us.

On the other side, we are actively looking at potential acquisitions where we can scale up business, but those will be fairly more involved decisions where the decision-making process will be slightly longer given the cash outlay could be larger in terms of value. So that -- those are the ways in which we plan to utilize cash.

And again, we have a dividend program in place where a certain portion of the cash is returned to the shareholders as well. So that is the way we are looking at the cash utilization. We have a big focus on growth initiatives where we find useful deployment for the capital.

Divyansh Jaju: Thank you sir.

Moderator: Thank you. The next question is from the line of Bharat Gulati from Dalal & Broacha.

Bharat Gulati: Thank you for the opportunity. Congrats on a good set of numbers. Just trying to understand on the top line, our volumes have seen a good growth on a Y-o-Y basis. But on a quarter-on-quarter basis, they've largely been flattish for the past 4 quarters -- past 3 quarters on a growth -- from a growth standpoint. So how do we see that going forward? Is this largely seasonal? Do we see a pickup in this? And do we expect to maintain similar sort of volume growth that we have done historically?

Tushar Agnihotri: The volume growth we expect with the season setting in, in the next couple of quarters, we see an upswing coming away. We had some losses, but we could compensate with some good wins in the last few quarters. That helped us maintain the volumes levels -- steady volumes level. But as we see the season setting in, we were expecting the volumes to grow by 10% to 15% in the next couple of quarters.

Bharat Gulati: Got it. Fair enough. And on the -- just trying to understand on the opex front, right, we've taken the wage hike from this quarter. So, what would the employee costs look like going forward? How do we see operating leverage playing out? Would it be more broad-based than it was in this quarter?

Vinay Binyala: Sure. So, Bharat, that's an interesting question. Raj, do you want to take that?

Raj Gill: Yes, yes, you're perfectly right. The wage hikes are behind us. So now we're at a run rate. And we don't materially expect the salary cost to go up. It's pretty flat in the coming quarters.

Bharat Gulati: So, we shouldn't even see any sort of employee additions or are we investing into talent or is that also broadly done with and we should sort of see inflation like year-on-year growth on that front?

Raj Gill: Yes, we would typically hover around the kind of the 800 count mark. It's not going to materially change, but we are backfilling where we need to and then recruiting to support our product and sales growth in the coming quarters. So, we will -- it's not going to be material, but we are looking at that talent pipeline.

Bharat Gulati: Got that. That's helpful. Just trying to -- once again to touch upon the top line growth. I understand the ILD business would be a drag on our top line. Considering if we normalize that, let's say, for ex of ILD, what would our new product portfolio volume growth and our existing domestic SMS volume growth be at?

I understand some of the industry is also seeing strong volume growth in the business from India headquartered businesses getting terminated outside India, which is, again, not -- which is a non-ILD business. So how are we seeing growth from that standpoint?

Vinay Binyala: So, Bharat, we don't break down the volume into components, but I can give you a high-level flavor. So, on ILD, what we are trying to indicate is that growth on that base is where it's not matching up the company average, but it's not like we are seeing a degrowth or dilution of business there. I mean, we are still chasing customers and it's sustaining for us at the levels we are.

In terms of domestic, as you rightly mentioned, we have good traction going for the domestic business, which we demonstrated in the previous quarter as well, except for the specific situations which I referenced. So, I think volume, again, for us is a mix of ILD plus domestic, and that's -- it might be slightly different from competition as well.

And on the new product, as I said, we witnessed significant growth in the last quarter. We had 14% year-on-year growth on that segment of the product -- of the business. And obviously, it was driven by higher volumes.

Bharat Gulati: Got it. Got it. And just a couple of more questions on how are we seeing growth because I understand you spoke about a net retention revenue of about 98%. So, is this majorly growth driven by new customer additions? And just how do we see wallet share going forward? You spoke about cross-sell of products. So how strong is the cross-sell already in terms of shifting them to the OTT products?

Vinay Binyala: Sure. So, I mean, selectively, wherever we are seeing customers having processes where we can enter with the new or the non-SMS product portfolio, the sales teams are actively pitching to the existing key customers. So, the way we look at our portfolio, there's a set of the top 50 customers, which generate significant revenue for us. And the idea is to target those customers and identify opportunities.

And obviously, a lot of these customers would have vendors taking care of certain business processes for them. So, it's either replacing an incumbent, which is not a very straightforward sales cycle, but we are also looking at new business processes where we can fit in our non-SMS product portfolio. So that is the way we are attacking the cross-sell approach in the business.

With Heltar coming in, I think we have a strong proposition for the customer base where we add a significant layer on top of just the communication channel. And that will be a big push once we close the transaction, hopefully, in the coming few weeks, that should really create additional traction around the non-SMS volumes and business for us.

Bharat Gulati: And should that have a good impact on Q2 numbers, or will that take some time to ramp up and sort of really come up in the numbers?

Tushar Agnihotri: It should take some more time to ramp up. Most of the companies when they're setting up their comms budget, it doesn't scale up in the same fiscal year. So right now, the play is happening between channels. So, a loss of SMS is gain of WhatsApp, a gain of WhatsApp is reflecting in loss of RCS perhaps.

So, while we see -- we are present and ensuring the wallet share stays with us of any enterprise customer, we see the scaling up happening gradually -- and gradually quarter-over-quarter. We see that setting in by last week of -- last quarter of, sorry, this financial year and continue growing as we go into the next fiscal year.

Bharat Gulati: Got it. Got it. And just lastly on -- we've been seeing some impairment last year. It's good to see there's been none of that in this quarter. So, do we largely believe that it's out of the books and no more debtors should sort of turn into bad debt?

Raj Gill: Yes, that's a fair reflection of the position. So, we're not expecting any future issues like that. They're all in the past.

Bharat Gulati: That's really helpful.

Moderator: Thank you. The next question is from the line of Dipesh Mehta from Emkay Global.

Dipesh Mehta: Thank you for the opportunity. I have a few questions. So maybe I start one by one. First want to get update on FY27 guidance. Last time we indicated revenue margin, dividend kind of guidance. Can you provide update to that?

Raj Gill: Yes, I'll take that. I guess we're 1 quarter into our fiscal year. So, we will hold that for now, and we will look at how we progress through the quarter. But as you can see in the financials, revenue was definitely strong. We are on track with the dividend and the EBITDA margins; we are working to actually address those in-quarter specific items with a range of options. So, a bit early, but we'll come back in future quarters.

Dipesh Mehta: So broadly, the adjusted EBITDA is there, I wanted your input. Do you think 12% is which we broadly indicated, considering the business trajectory you expect in the next 3 quarters as well as certain one-off costs which you have this quarter. Considering both factors, 12% is still possible to achieve kind of thing in the remaining period?

Vinay Binyala: So Dipesh, like we mentioned in the opening comments, there are certain factors which are transient, which we believe will reverse over the coming quarters. Some of them might be slightly stickier. So, by the end of this quarter, we'll have a clear view of where we should be landing the year. But ideally, we should not materially deviate from what we had guided. Exact indication -- sorry, are you able to hear me, sorry?

Dipesh Mehta: Yes, understood. Second question is about the update on the security incident, which we faced at Masivian. Can you provide update, let's say, where we are in terms of the traffic, in terms of the remedial action which we have taken, and how to expect Masivian growth trajectory in coming quarters?

Tushar Agnihotri: So, the investigation remains ongoing with the support of our cybersecurity specialist. And the platform continues to operate under enhanced controls and monitoring. Masiv is keeping the affected customers informed and the regulators informed, as the investigation is progressing. And we will continue to provide updates as the first further information is available.

But we are hopeful of an attestation to come away very soon, which will actually encourage us to go back and get back the business from the enterprises which are impacted at this point of time. So yes, so hopefully, we should be back on track very soon and back with our -- whatever business was affected temporarily should be back with us very soon.

Dipesh Mehta: Do you expect any further costs incurred on the remedial action at Masivian or quarter 1 provision is sufficient for us to cover up?

Tushar Agnihotri: We have -- as you mentioned, we have made provisions already. There can be very minor increase in the cost, very, very minor. But yes, nothing major is expected. Whatever we have provisioned for should actually address all the expenses towards security agencies and partners.

Dipesh Mehta: Understand. Third question is on the sales and marketing headcount. If I look at it, it has declined double digit sequentially as well as on Y-o-Y basis. Can you help us understand what -- any, let's say, change in the growth strategy, which led to sales and marketing headcount decline? And can you provide broad thought process around how to look at numbers?

Vinay Binyala: Just give us a moment, he's trying to look it up.

Dipesh Mehta: Hello, can you hear me?

Vinay Binyala: Yes, I got your question. You are trying to understand what happened on the sales and marketing headcount front, right?

Dipesh Mehta: No issue, so maybe you can revert later. Another question which I have on the cash conversion. Can you provide, let's say, some sense about how you expect cash conversion in first on quarter 1 and for the full year? Last year was very strong. Can you give some sense how you expect this year to play out?

Vinay Binyala: So Dipesh, Q1, the closing balance is what we had reported. We had some delayed collections with some of the key customers in the first quarter. I mean it's not a collection issue as such. It's just a timing issue. The reconciliations that the customers need to do took a little longer than ideally, we would have expected.

And March was a significantly strong collection. So, if you look at it quarter-on-quarter, the cash flow has been weak in this quarter just because of the delay in collections. I would not say there are any defaulters in that list, but these are like large customers who typically reconcile the data in their systems as well.

So that collection should flow in during the quarter and the collection -- the cash position for the rest of the year should go back to the typical 75% to 100% conversion from EBITDA, which we have, the EBITDA to cash flow from operations conversion.

Q1, I would just want to caveat, was slightly challenging because of the delayed collections from some large clients. And these are in specific geographies, largely India and UAE. And it's not a one-off. I mean we've had it in the past in instances, and those customers have been long-standing customers from us. So we do not see a risk around it. It's just a timing problem which we are encountering.

Dipesh Mehta: I understand. But for the full year, you are comfortable at around 75 percentage conversion?

Vinay Binyala: Yes, yes. We will revert to that collection -- I mean, to that cash conversion level for the year.

Dipesh Mehta: Understand. And the last question which I have is about the non-SMS business. Now we're seeing some, let's say, progress and acceleration in growth. How to understand that business margin profile compared to our traditional SMS business? So as mix change, do you expect what kind of implication on margin on blended business?

Tushar Agnihotri: So Dipesh, with the Heltar's acquisition, we would try to bring Heltar to geographies where the competition is not relatively as intense as you see in India. So we're trying to bring it to Latam. We're trying to bring to European market and U.S. as well. And we see that we can make decent upfront revenues and from revenue with high margin, with acquisition of enterprise customers in those geographies.

The initial feedback after we demonstrated the capabilities of the platform were very encouraging. We're fairly hopeful that when we bring this platform to those geographies, we'll see upswing in our DM levels.

Dipesh Mehta: So broadly, I'm not very clear. So you are indicating a non-SMS margin profile is likely to be better than SMS?

Tushar Agnihotri: Okay. That's right. I'm saying the improvement of the margins will be better on the new non-SMS products from the geographies, which is apart from India, using the Heltar platform, which brings in some interesting capabilities. As I said, the reflection is fairly good and fairly positive from the enterprises and from the initial demonstration of capabilities. Does that answer your question?

Dipesh Mehta: Yes. So broadly, just to be very clear, let's say, currently, it is there below double-digit percentage revenue share. As we scale it and it, let's say, approaches 20%, 30 percentage of revenue, you expect it to be margin accretive rather than margin dilutive. That is the right way to understand?

Vinay Binyala: So Dipesh, honestly, if you look at different markets, the margin profile varies even for the non-SMS portfolio. And honestly, currently, if you look at our non-SMS mix, it's in certain specific regions at this point in time. So when we bring in the Heltar platform also, it's going to be a bit of experimentation for us.

So for this year, we would not want to commit to any margin expansion or dilution because of these product solutions or the non-SMS product solutions. We'll have to play it out. We have different pricing models around those products. And it will take a little bit of time before we can formally indicate what kind of expansion we can expect from deployment of these solutions.

Dipesh Mehta: Maybe you can later revert on the sales and marketing headcount question. Thank you.

Vinay Binyala: Sure.

Moderator: Thank you. The next question is from the line of Amit Chandra from HDFC Securities.

Amit Chandra: Thank for the opportunity. Sir, my first question is on the revenue from the new product stream. Obviously, we are seeing good healthy growth there, and that is 9% of the revenue. So -- but if I see more from an industry perspective, the portfolio seems to be very small and also the overall growth in the portfolio is also actually lower versus what the competition or the industry is growing at.

And if you can indicate what is the market share maybe in WhatsApp, RCS, that we are having because the growth is lower. So are we also having a lower market share or we are losing market share there in the WhatsApp and the RCS space?

Tushar Agnihotri: So, hi Amit, at this point of time, there's no published report to state exactly what is the market share of any participant aggregator. We have rough indication though of the volumes of WhatsApp and RCS, and that's also not published. I mean that's our basis market intelligence, we arrive to certain numbers.

But we see we have a decent share, not that we can't improve on that. But having said that, I mean, I'm unable to comment at this point of time exactly how is the competitors place vis-a-vis ours because largely due to nonavailability of the consolidated market report on WhatsApp and RCS.

Amit Chandra: Yes. I'm just saying that because in terms of what base we have and the base of what the competition is almost 3x of the base of WhatsApp and RCS that we have, and they're growing much faster versus what we are clocking. So that's why just an indication that are we losing market share there or is it that we are trying to do something different there?

Tushar Agnihotri: So Amit, our attempts have been to grow the market without compromising on direct margins. There has been some aggression in the marketplace on the pricing of WhatsApp and RCS, and we don't really want to participate around that. We would intend to keep our margins intact and healthy in a manner that we can continue sustaining these offerings over a period. So for those reasons, as I said, it may -- one, as I said, I can't accurately comment. But having said that, our strategy is very clear to keep our DMs intact and strong.

Amit Chandra: And secondly, on the impact that -- sharp impact that we had on the gross margin. You mentioned that there is one specific client, specific event where there is a traffic reduction due to some solution deployment. And this happened after we have given the guidance in the last quarter in terms of strategy for the longer term. So is it something that was not planned or what actually caused this to happen?

Because I think the gross margins for this would have been much higher. That's why the impact is so sharp. So if you can throw some more light in what actually happened and what makes us confident that we are going to see a reversal there? And in terms of the incident that happened, at what time frame during the quarter this happened? At the start of the quarter, mid of the quarter at the end of the quarter? So that...

Tushar Agnihotri: So you're talking about the customer where we are reflecting some loss of DM and revenue is largely because of development which needed to be done, which they had specifically come up with. And that led for us to -- and this was last minute, and that's why we had to go back and then to our drawing boards and prepare work on this development.

It took us some time, but we are in the testing stage with that bank. And we're fairly hopeful that it's going to be back with us in no time. So you will see the reflection in this quarter. We're hopeful that those revenues and margins will be back with us.

Amit Chandra: Okay. So what I'm trying to understand is that we had a full quarter impact for this or we had only a partial impact in this quarter?

Tushar Agnihotri: We will see partial impact in the quarter. We should be able to recover. We should have recovery soon and the balance quarter should be on track.

Amit Chandra: Okay. And also, it would be helpful if you can quantify or give the bridge in terms of the gross margin impact that what has actually caused in terms of quantification, what was the impact from this incident? And also in terms of the security incident that happened in like Masivian, as far as my reading, this happened at the back end of the quarter, maybe in the last week of the quarter.

And that's why I don't know if it had a very big impact on the margins. So the margin impact is largely driven by the one specific client event. So is it such a big impact as the gross margins went down so sharply?

Tushar Agnihotri: So as I stated earlier, the investigation remains ongoing with the support of cybersecurity specialists. The platform continues to operate, and there is continuous monitoring. We are making a good assessment of the impact, and we should be in position soon to exactly reflect upon the impact.

But yes, we're making assessment of the exact impact -- the entire -- we're keeping the effective customers and the regulator all informed about the investigation process. And we'll continue to provide updates as we get more information about this event. But as I said, as far as the impact is concerned, we are making a good assessment, and we should be in position to give you more information soon.

Amit Chandra: Okay**,** So Vinay, if you can provide the bridge in terms of the margin impact, if you can it would be helpful?

Vinay Binyala: Sure. So Amit, in terms of exact breakdown, I need to just double check internally. But what I can tell you is at a high level, the key items were the customer-specific situation, which we've been discussing. We had some impact on aggregators, multiple aggregator accounts where we have a way to recover those margins as well. I mean we have some routing optimizations and ways to get back that margin.

But these are the main issues where we believe these are transient. These have happened in the past, and we've come out of these situations. So it is nothing out of the ordinary in the business. Just that the impact in this quarter has been a significant one, but there are ways to get back from these impacts in the business.

Amit Chandra: Okay. And also in the segmental breakup that we gave, the India-specific segment profit has been negative in this quarter, and this has not happened in the previous so many quarters. So any specific readthrough there?

Vinay Binyala: Yes. So the large Indian -- sorry, the large customer, which we are discussing where we had the impact was an Indian customer. That is where you see the impact on the India entity in the breakup.

Amit Chandra: Okay. Thank you.

Moderator: The next question is from the line of Kevin Gandhi from CapGrow Capital.

Kevin Gandhi: Hello, thanks for taking my question and hope my voice is audible. Sir, my question was on the Truecaller partnership, which we have just done, right? So just wanted to know how much of the potential are we actually seeing from that deal because we have close to 50 crore users, as you mentioned in the BSE notification. How we are pursuing that? Because I think that might seem to be great order for Route Mobile? Just wanted your views on the same?

Tushar Agnihotri: So Kevin, thank you for the question. We are testing the Truecaller as a platform with certain customers. I mean too early for us to identify exactly what kind of margins we can bring in, but it certainly opens up more markets for us. Truecaller has very decent share of market in multiple continents.

And we're fairly hopeful that once this testing and -- this testing is of the platform and the integration of this platform with certain enterprise customers, once they go successful and we make an assessment of how much we can monetize that, we perhaps would be able to give you more stronger views here.

So too early to state anything because we just signed off a deal with them, and we are taking it to multiple markets and enterprises. But too early for us to give you an accurate assessment of what we can bring in.

Kevin Gandhi: Okay. So like would that give the access to all the 50 crore consumers which Truecaller has? Like would we be able to actually set up the platform for the entire user base of Truecaller across the world? Is that the assessment?

Tushar Agnihotri: Okay. So that is a reach which is provided by Truecaller to any of the partner. How to monetize this, we can use rich media on their platform. We can do multiple other things, but that's something, I just said, this is something once we actually have a live case, only then we'll be in a strong position to comment on. We are -- as I said, again, as I mentioned earlier, we are testing this with multiple enterprises in multiple geographies. And we're hopeful that this once works, we can give you more accurate assessment.

Kevin Gandhi: Okay. Sir, my second question was on the Claro deal. So I just wanted to know where are we actually in the process of getting the platform established with Claro. And also just wanted to know how much potential are you seeing for like Claro as well because as far as I understand, in FY23, we had signed a deal with the Sri Lankan MNO.

And Claro seems to be almost 20x, like the subscriber count of Claro seems to be 20x the deal which we have done in the past. So that was, I guess, a INR200 crores deal for 2 years. So as far as Claro goes, I know it's in a partnership with, I guess, Proximus. So just wanted to know like what's the share of Route Mobile in the Claro deal? And how are you pursuing this deal? What's the potential? So yes, that's the second question.

Tushar Agnihotri: Claro is a multi-country firewall deal for us, which means that we have to deploy a certain platform, with all of these telecom operators. Now we understand we are behind time. We were supposed to be done with the deployment and should have gone live by now. But due to certain reasons which are beyond our control, there have been delay in the deployment, but we're fairly hopeful that this quarter, we should be up and running with them.

And we will have some tangible revenues coming the way very soon. But the deal stands. The deal is on. It's only that deployment has taken a bit more time. And for those reasons, we have not seen trickling -- the revenue trickling in as yet.

Vinay Binyala: And Kevin, just to add to what Tushar said and relevant to your question is, in terms of Claro, I think we have, as Tushar was saying, multiple geographies. And we don't have a blanket contract where we can deploy in all Claro networks. So there are select networks which they have signed up with us and some big ones like Colombia are not part of the contract.

So in terms of the population that you are referring to, it is a fraction of what Claro services globally, and we have those select networks where we are working with them. Just to put things in perspective here.

Kevin Gandhi: Okay. Okay. So in terms of Claro, like what might be the share of Route Mobile versus 365squared, like share of like revenue agreement?

Tushar Agnihotri: The Claro deal is more of a firewall deal, which is fixed plus variable. So I mean, there is no share as such. It's basically the more the platform is able to identify gate traffic flowing in, more we are able to monetize. There's some fixed components and there's some variables. So there's nothing -- I mean, there's nothing like a share-share kind of a thing because the exclusively entire network belongs to us for terminating any international traffic in that geography.

Kevin Gandhi: Okay. Sir, my last question was I just wanted to understand the revenue composition of ILD versus NLD. I know the NLD is worth 8% to 9% now. So what's the broad state of the revenue as far as the ILD and the NLD goes?

Vinay Binyala: So Kevin, we don't break it up as public information, but ILD still continues to be significant for us because we still service very large global customers. Unfortunately, we don't disclose the exact percentage breakup. So I will not be able to spell out the exact proportion here. But what I can tell you is that it's still a very relevant part of our business with very good customers in the portfolio. I'm sorry, I'm not able to spell out exact details here.

Kevin Gandhi: Okay. Okay. But as far as my understanding goes, the margins are quite lower for the ILD, right, versus the NLD?

Tushar Agnihotri: Sorry, say it again please.

Kevin Gandhi: Okay. So as far as my understanding goes, I believe that the margins of ILD are much lower than the NLD, if I'm not wrong?

Tushar Agnihotri: In absolute value, no. In percentage value, maybe yes.

Kevin Gandhi: Okay, Thank you

Moderator: The next question is from the line of Bharat Gulati from Dalal & Broacha.

Bharat Gulati: Hi, thank you for the follow up**,** Just wanted to understand on the gross margin front, when we talk about this transitionary in nature, I completely get that. But do we expect these margins to revert back to the levels of Q3, Q4 of FY26 or do we expect them to revert to what we used to historically do at the 22%, 22.5% levels? Just trying to understand that, have we structurally changed our business margins towards that higher 24% to 25% mark or do we eventually believe that in the medium to long term, we'll revert back to the 22% area?

Vinay Binyala: So Bharat, as we pointed out, there are multiple moving parts to that. And as I said, some of them are reversing automatically once we deploy the product and the customer comes back. Some of them will take a little bit of more effort from the business point of view in terms of identifying better routes, identifying better margins, which is feasible, but the timeline to that could be slightly different from what we can do on the lone cases of specific customers.

So that is where -- at this point in time, if you ask me at the end of July, whether I can accurately guide whether we'll be at a 22% or 21.5% for this quarter or whether we revert all the way back to 23%, it's a little difficult estimate to make right now because a lot of these pieces are moving as we speak. But as we mentioned earlier, depending upon how much of this correction we are able to do, we can land up in that range of 21.5% to 23%, which we've been operating over the last 5 or 6 quarters.

Bharat Gulati: Fair enough. That's really helpful. So just trying to -- so maybe directionally, if you can help me, I see that we are planning to enter the new -- planning to enter new markets for RCS. And I typically understand RCS is slightly better margin than WhatsApp and the SMS business as well given that Google wants to take up the market share from Meta.

So do we expect that to sort of drive gross margins? Again, I understand that you can't put a number to it. But directionally, if that business grows and it's growing for us at 14% this quarter, do we directionally see those margins going up structurally?

Tushar Agnihotri: RCS definitely, Bharat, provides a better margin option for aggregators. So our focus and our efforts will be more to take and promote that as a channel. There are certain geographies where we have deployed a platform and we have some exclusive arrangements also. Given that our focus definitely will be towards RCS and we're fairly confident that, that can certainly blend and improve our margins a little better.

Bharat Gulati: Got it. Got it. And just lastly, I'm trying to understand that the level at which we are growing that, even if I understand that we are seeing good growth in the non-ILD business, basically our domestic SMS business and our new product business. As long as that continues to grow at this pace, when can we -- like what share of the business would ILD be, let's say, 2 years down the line?

And then where do we see the new product business as a share of the overall business? Right now, as of this quarter, it's at 8%. So just if you can give some sense of what would the business mix look like a year or 2 years from now, given the same sort of growth continues?

Tushar Agnihotri: So Bharat, we continue to focus on all the businesses. There -- our attention towards all the 3 units, which is ILD, domestic and new product is same. And we -- our efforts are to ensure that all the 3 segments continue growing at the same pace. So it's very difficult for us to say which will have what share of the overall revenues. But we just hope that the one which is giving us highest margin has the highest share and the energy will be towards that.

Vinay Binyala: So just to add to what Tushar is saying, Bharat, even though we are saying that ILD is facing challenges in terms of growth, it is not that we stopped pursuing opportunities there. There are some large opportunities that we are looking at. Just the conversion and timelines are a little bit out of our control. So the idea is -- and the reason why ILD continues to be important is it is large scale, from each single customer, the ticket sizes are large.

Although the percentage margin is low, it gives very good ROI to the business. So that is where Tushar is trying to indicate that we are not leaving out any of the levers in the business. If it is a large enough opportunity, we will pursue it and try to close it.

Bharat Gulati: Fair enough. That's helpful. And just -- so if you can give some sense of what could cause growth to come back in ILD? I understand spends are sort of compressed right now from the customer standpoint because there are other means to -- other cheaper means to execute the same thing. So what could bring back the growth in that segment? And then how would that impact the remaining WhatsApp and sort of the OTT vertical?

Tushar Agnihotri: So this will largely -- it can come back definitely, and I can get back to the growth path, Bharat. It will be -- remain to be seen that how telecom operators are looking at and what is their strategy in the times to come. When I say strategy, I largely mean pricing strategy. I mean they've been fairly ambitious on the pricing side over the last past -- the last few years.

And if they finally decide to rationalize the pricing, I'm quite hopeful that we can bring back the same growth, which we have observed over the last few years in ILD. So it remains to be seen how telecom operators see this business and how do they intend to grow this.

Vinay Binyala: And also, we are seeing a slight bifurcation of business as well. Certain use cases are still relying heavily on the telecom-oriented messaging solutions like SMS, RCS. And certain interactive use cases are now preferentially moving to WhatsApp and RCS. So we are seeing that transition happen.

And that is where some of the solutions which we are bringing in should ideally drive the non-SMS portfolio and our core platform, the SMS and RCS platform still focuses on onboarding customers who need the telecom infrastructure. So from our point of view, we are more driven by what the enterprise needs as a solution point, and we offer all of those channels to the solution -- to the enterprise, sorry.

Bharat Gulati: Got it. And sir, lastly, on -- I understand that from October 1, Meta has certain new rules regarding using its own models to deliver the conversational AI or chatbots onto Meta, onto WhatsApp. So that gives certain benefits to customers such as free messaging and so on. So is the recent acquisition largely to leverage that opportunity and to sort of get that application capability to leverage Meta's LLMs?

Tushar Agnihotri: So we've made those observations, Bharat. I mean we're trying to interpret it accurately, exactly what it reflects and how it adds to the acquisition we've made. How does it bring more benefits to us? We're still evaluating it. It's better for good reasons, have been fairly -- they've been shifting their policies, pricing policies fairly frequently.

So one is, of course, it's important to interpret it well and also see exactly what is their long-term game like? How would they want the entire bot framework, which they are now exposing to enterprises will pan out and how do we fit in and how do we make most of it. So -- but it's very early for us to comment. As I said, we've made a good observation of that, and we're making interpretations and how -- and of course, drawing a plan, how do we grow and benefit the most from it.

Bharat Gulati: From today's standpoint, do we have the capabilities to explore that opportunity that Meta has brought to the customers? Are we already capable to integrate with the Meta LLMs?

Vinay Binyala: Yes. So the platform which we have in Heltar, that is extremely flexible. They offer different LLMs to the enterprise. They have if it is Anthropic or Meta or whichever AI the enterprise wants to use, including voice AI. So it's fairly flexible. It's a choice of the enterprise on how they want to run their solutions. So it opens it up for the enterprise. And it can also leverage the entire Meta infrastructure that you're referring to. So it's fairly open the way the enterprise wants to use it.

Bharat Gulati: Got it, that's really helpful.

Moderator: As there are no further questions from the participants, I now hand the conference over to Mr. Raj Gill for closing comments. Over to you, sir.

Raj Gill: Good. So thank you all for your very engaging questions. So with that, we will close the call. So we appreciate your continued support, and we look forward to engaging with you again. Have a great weekend. Thank you.

Tushar Agnihotri: Thank you.

Moderator: Thank you, On behalf of Route Mobile Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.